

TRAFFIC AND CAPACITY STATISTICS – October 2005*Summary of the headline figures*

In October 2005, passenger capacity, measured in Available Seat Kilometres, was 5.7 per cent above October 2004. Traffic, measured in Revenue Passenger Kilometres, was higher by 6.4 per cent. This resulted in a passenger load factor up 0.5 points versus last year, to 74.7 per cent. The increase in traffic comprised a 6.8 per cent increase in premium traffic and a 6.3 per cent increase in non-premium traffic. Cargo, measured in Cargo Tonne Kilometres, fell by 4.7 per cent. Overall load factor fell by 1.2 points at 69.9 per cent.

Market conditions

Continued capacity restraint by the industry is resulting in a more stable price environment. This coupled with good demand for premium traffic (in particular the growth in leisure premium) has delivered a small yield improvement. Assuming continued stable economies and a rational capacity environment, some yield improvement is now expected for this financial year. Consequently, revenue is now expected to grow by between 6% - 7% (up 0.5 points from our previous guidance).

Despite the improved revenue outlook, market conditions remain broadly unchanged as significant promotional activity is required to maintain seat factors.

Costs

Fuel costs continue to be a challenge for the industry, but our guidance is unchanged with total fuel costs expected to be up by £525 million this year.

Strategic Developments

British Airways' winter schedule, which started on October 30, 2005, saw the airline's services from London Heathrow to India increase from 19 to 35 flights each week. A new five per week service to Bangalore started, frequencies to Mumbai doubled to two flights per day and flights to Chennai increased from two to six each week. The airline will start a new service from London Gatwick to Grenoble in December. Flights from Birmingham to Rome and Vienna, operated by British Airways CitiExpress, were suspended.

British Airways appointed Bartle Bogle Hegarty (BBH) as its worldwide creative advertising agency. The decision followed a review of the existing contract and a formal competitive pitch process. BBH start their contact on November 15, 2005.

Royal Jordanian announced that it is to join the **oneworld** alliance. Japan Airlines (JAL) announced its intention to seek membership of **oneworld**.

November 4, 2005

BRITISH AIRWAYS MONTHLY TRAFFIC AND CAPACITY STATISTICS

BRITISH AIRWAYS SCHEDULED SERVICES	Month of October			Financial year April through to Oct		
	2005	2004	Change (%)	2005	2004	Change (%)
Passengers carried (000)						
UK/Europe	2024	2019	+0.3	14591	14852	-1.8
Americas	615	571	+7.6	4525	4421	+2.4
Asia Pacific	172	148	+16.8	1111	971	+14.4
Africa and Middle East	248	256	-3.2	1714	1751	-2.1
Total	3059	2994	+2.2	21940	21995	-0.2
Revenue passenger km (m)						
UK/Europe	1869	1808	+3.4	13667	13422	+1.8
Americas	4139	3841	+7.8	30392	29557	+2.8
Asia Pacific	1774	1526	+16.3	11416	9992	+14.3
Africa and Middle East	1693	1729	-2.1	11500	11630	-1.1
Total	9476	8904	+6.4	66974	64601	+3.7
Available seat km (m)						
UK/Europe	2749	2644	+4.0	19264	18558	+3.8
Americas	5492	5115	+7.4	37687	37004	+1.8
Asia Pacific	2233	2008	+11.2	14844	13626	+8.9
Africa and Middle East	2210	2230	-0.9	14937	15422	-3.1
Total	12684	11998	+5.7	86732	84610	+2.5
Passenger load factor (%)						
UK/Europe	68.0	68.4	-0.4pts	70.9	72.3	-1.4pts
Americas	75.4	75.1	+0.3pts	80.6	79.9	+0.7pts
Asia Pacific	79.4	76.0	+3.4pts	76.9	73.3	+3.6pts
Africa and Middle East	76.6	77.5	-0.9pts	77.0	75.4	+1.6pts
Total	74.7	74.2	+0.5pts	77.2	76.4	+0.8pts
Revenue tonne km (RTK) (m)						
Cargo tonne km (CTK)	439	461	-4.7	2804	2877	-2.5
Total RTK	1380	1346	+2.5	9480	9318	+1.7
Available tonne km (m)	1973	1892	+4.3	13532	13245	+2.2
Overall load factor (%)	69.9	71.1	-1.2pts	70.1	70.4	-0.3pts

Certain statements included in this statement may be forward-looking and may involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions and the company's plans and objectives for future operations, including, without limitation, discussions of the company's business and financing plans, expected future revenues and expenditures and divestments. All forward-looking statements in this report are based upon information known to the company on the date of this report. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the company's forward-looking statements to be incorrect or that could otherwise have a material adverse effect on the future operations or results of an airline operating in the global economy.

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